Cancelled Claims 62-72, 76-82 and 86 were rejected under 35 U.S.C. § 102(e) as anticipated by U.S. Patent 5,577,191 (Bonomi). Cancelled Claims 73-75 and 83-85 were rejected under 35 U.S.C. § 103 as unpatentable over <u>Bonomi</u> in view of U.S. Patent 5,404,437 (Nguyen). With respect to newly added Claims 87-98, these rejections are respectfully traversed.

Newly added independent Claims 87 and 91 are directed to an image processing arrangement in which moving image data encoded in a first encoding method using intra-picture and inter-picture coding is inputted and the inputted moving image data is decoded. Inter-picture coding is performed on the decoded moving image data and the encoded data is stored in a recording medium. The encoded moving image data from the recording medium is read and decoded. An editing process is performed on the decoded moving image data read from the recording medium. Inter-picture coding is performed on the moving image data subjected to the editing process and the encoded moving image data subjected to the editing process is stored in the recording medium. The inter-picture encoded edit processed moving image data from the recording medium is read and converted to the first encoding method and the converted data is output.

In Applicants' view, <u>Bonomi</u> discloses a video editing and publishing system that includes a video capture unit, a video compression unit, and video decompression unit coupled to a host computer having video editing capabilities. The system allows video editing to occur using intraframe-only compressed video data. The edited video data is then decompressed and recompressed to provide compressed data, compressed using both interframe and intraframe operations and usable for publication in a removable storage medium, such as a compact disk or a data network.

In Applicants' opinion, Nguyen discloses an arrangement for mixing animation sequences with computer graphics information for presentation on a computer display screen. The animation sequences may be stored in compressed format in a standard storage medium. An animation sequence generator retrieves these compressed animation sequences, decompresses them into pixel information, and sends them to a single line store for synchronization with the computer graphics pixel information. Pixels from the animation sequences and from the computer graphics generator are mixed, windowed and overlaid in a digital mixer. The output of the digital mixer is sent to a visual display system such as a video digital-to-analog converter driving a computer display monitor.

According to the invention of Claims 87 and 92, inter-picture coding is performed on inputted moving image data previously encoded using an intra and interpicture coding method that has been subjected to prior inter-picture coding and edit processing. The inter-picture coded and edit processed moving image data is stored, read out and then encoded in the encoding method of the input moving image data. These features of newly added Claims 87 and 92 are shown at least in Fig. 8 of the drawings and are disclosed at least from line 18 of page 16 to line 7 of page 19 in the specification. No new matter is believed to have been added.

Bonomi may teach editing of selected frames of captured video data that has been decompressed, stored, inter-frame compressed and recompression of the edited image data but is devoid of any suggestion of edit processing of inputted moving image data that has been encoded in a method using both intra and inter-picture coding.

In contrast to <u>Bonomi</u>, it is a feature of Claims 87 and 92 that moving image data which has been encoded by an encoding method using intra and inter-picture

coding is inputted, inter-picture coded, stored and edit processed is further inter-picture encoded and stored and another feature that the stored edit processed and inter-picture encoded moving image data is read and converted by the encoding method of the inputted image data for outputting. It is not seen that <u>Bonomi's</u> editing of captured video data with further recompression of the edited video data in any manner teaches or suggests the interpicture encoding of edit processed inter-picture encoded inputted image data that has been previously encoded in a first method using both intra and inter-picture coding and the conversion of the inter-picture encoded edit processed image data in the first encoding method as in Claims 87 and 92.

Nguyen may teach editing by reducing frame images in a multi-screen display as suggested by the Examiner. It is not seen that the addition of the editing arrangements of Nguyen to the editing of selected frames of captured video data and recompression of the edited image data could possibly suggest the features of Claims 87 and 92 of inter-picture encoding of edit processed inter-picture encoded inputted image data already encoded in a first method using both intra and inter-picture coding and the conversion of the inter-picture encoded edit processed image data in the first encoding method. Accordingly, it is believed that newly added Claims 87 and 92 are completely distinguished from Bonomi and Bonomi in view of Nguyen and are allowable.

Newly added independent Claims 93 and 98 are directed to an image processing arrangement in which moving image data encoded in a first encoding method using intra-picture and inter-picture coding is inputted and the inputted moving image data is decoded. Inter-picture coding is performed on the decoded moving image data and the encoded data is stored in a recording medium. The encoded inter-picture coded moving

image data from the recording medium is read and decoded and an editing process is performed on the decoded moving image data read from the recording medium. Interpicture coding is performed on the moving image data subjected to the editing process and the inter-picture encoded moving image data subjected to the editing process is stored in the recording medium. The encoded image data from the recording medium is read and decoded and then the read and decoded image data is encoded in a first encoding method and output.

According to the invention of Claims 93 and 98, inter-picture coding is performed on inputted moving image data encoded using intra and inter-picture coding and subjected to inter-picture coding and edit processing. The inter-picture coded and edit processed moving image data is stored. The inter-picture coded and edit processed moving image data is read and decoded and this decoded moving image data is encoded in a first encoding method and output. These features of newly added Claims 93 and 98 are shown at least in Fig. 10 of the drawings and are disclosed at least from line 10 of page 20 to line 22 of page 22 in the specification. No new matter is believed to have been added.

As discussed with respect to Claims 87 and 92, <u>Bonomi</u> is limited to teaching editing of selected frames of captured video data that has been decompressed, stored, inter-frame compressed and recompression of the edited image data and is devoid of editing moving image data that has been already been encoded in a method using both intra and inter-picture coding. In contrast to <u>Bonomi</u>, the feature of Claims 93 and 98 of moving image data which has been encoded using intra and inter-picture coding is inputted, inter-picture coded, stored and edit processed and of further inter-picture encoding and storing is combined with the feature of decoding and storing the already stored edit

processed and inter-picture encoded moving image data and then encoding the decoded stored inter-picture encoded and edit processed image data according to a first encoding method and outputting this encoded data. It is not seen that <u>Bonomi's</u> recompressing of captured video data that has been decompressed, stored, inter-frame compressed or that the editing of Nguyen added to the disclosure of <u>Bonomi</u> in any manner suggests these features of Claims 93 and 98. It is therefore believed that newly added Claims 93 and 98 are completely distinguished from <u>Bonomi</u> taken alone and any combination of <u>Bonomi</u> and Nguyen and are allowable.

A review of the other art of record has failed to reveal anything which, in Applicants' opinion, would remedy the deficiencies of the art discussed above, as references against the independent claims herein. Those claims are therefore believed patentable over the art of record.

The other claims in this application are each dependent from one or another of the independent claims discussed above and are therefore believed patentable for the same reasons. Since each dependent claim is also deemed to define an additional aspect of the invention, however, the individual consideration of the patentability of each on its own merits is respectfully requested.

In view of the foregoing amendments and remarks, Applicants respectfully request favorable consideration and early passage to issue of the present application.

It is respectfully submitted that the claims on file are allowable over the art of record and that the application is in condition for allowance. Favorable reconsideration and early passage to issue of the present application are respectfully submitted.

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